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ON PAGE 5

NEW YORK DAILY NEWS
17 May 1982

CRISIS SPLITS WHITE HOUSE

INSIDE WASHINGTON



BY NILES LATHEN

A DEEP SPLIT has emerged within the Reagan Administration over how to handle what's left of the Falkland Islands peace process.

Insiders say the Administration has divided into two ideological camps — those pushing President Reagan to stand 100 per cent behind Britain and those who believe it was a mistake to effectively break relations with Argentina.

The pro-British group, led by Secretary of State Haig, believes that Argentina was the clear aggressor in the conflict.

To abandon Britain, they say, could shatter the NATO alliance.

That camp is opposed by hardliners including CIA Director William Casey, Latin American Affairs specialist Thomas Enders and special envoy Gen. Vernon Walters — as well as about a dozen influential conservatives in Congress.

The hardliners have recently managed to persuade Reagan that the Soviet Union may gain an unwanted foothold in the South Atlantic by the continued U.S. support of Britain in the crisis.

A strange thing happened to British UN Ambassador Anthony Parsons and U.S. Ambassador Sir Nicholas Hender-

son over the weekend.

Last Friday they received an urgent message from the foreign office to drop what they were doing and rush home to London for consultations with Prime Minister Thatcher on the Falkland Islands.

But Parsons and Henderson, after a seven-hour flight, touched down in London only to find that Mrs. Thatcher was politicking in Scotland.

And they were seen the following day looking bewildered at lunch together at the Garrick Club in London — apparently finding themselves with little to do on their 'urgent' mission.

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PROGRAM All Things Considered

STATION WETA Radio
NPR Radio

DATE May 17, 1982 5:00 P.M.

CITY Washington, D.C.

SUBJECT U.S. Relations with Argentina

SANFORD UNGAR: Commentator Daniel Schorr says that a misstatement by President Reagan may have affected a quiet diplomatic attempt to smooth over U.S. relations with Argentina.

DANIEL SCHORR: The effort was conducted by General Vernon Walters, former Deputy Director of the CIA, one-time interpreter for President Nixon on his South American tour. Walters, according to Argentine sources, assured the junta last week that the United States was moving towards a more evenhanded position and did not intend to provide any significant military assistance to Britain. He reportedly said the United States no longer considers Argentina as intransigent in the negotiations, since Argentina has dropped sovereignty over the Falklands as a precondition for a ceasefire.

It was, in fact, the sign of weakening American and Common Market support that contributed to the return of Britain's ambassadors to London for a reassessment of the Thatcher government's position.

In preparation for his press conference last week, President Reagan was briefed to make a careful conciliatory gesture to Argentina. That, for the most part, he did by saying, "I don't think there's been any irreparable damage done," and by referring to "all those of us who want to be brokers for a peaceful settlement," even though Secretary Haig had officially abandoned a broker's position by declaring sanctions against Argentina on April 30th.

But the President didn't stop there.